

(ii) The employee's spouse received the debt or equity interest as part of a compensation package in connection with employment or prior to marriage to the employee;

(2) The employee makes a prompt and complete written disclosure of the debt or equity interest to the DAEO; and

(3) The disqualification of the employee from participating in particular matters involving an entity with which the employee or the employee's spouse or minor child has a debt or equity interest, as specified in the written waiver, would not unduly interfere with the full performance of the employee's duties.

(e) *Covered third party entities.* Immediately after becoming aware that a covered third party entity owns or controls a debt or equity interest that an employee would be prohibited from owning or controlling under paragraph (a) of this section, the employee shall report the interest in writing to the DAEO. The DAEO may require the employee to terminate the relationship with the covered third party entity, disqualify himself or herself from certain particular matters, or take other action as necessary to avoid a statutory violation, or a violation of the OGE Standards or the CFPB Ethics Regulations, including an appearance of misuse of position or loss of impartiality. For purposes of this paragraph (e), "covered third party entity" includes:

(1) A partnership in which the employee or the employee's spouse or minor child is a general partner;

(2) A partnership or closely held corporation in which the employee or the employee's spouse or minor child individually or jointly holds more than a 10 percent equity interest;

(3) A trust in which the employee or the employee's spouse or minor child has a legal or beneficial interest;

(4) An investment club or similar informal investment arrangement between the employee or the employee's spouse or minor child, and others;

(5) A qualified profit sharing, retirement, or similar plan in which the employee or the employee's spouse or minor child has an interest; or

(6) An entity in which the employee or the employee's spouse or minor child individually or jointly holds more than a 25 percent equity interest.

§9401.107 Prohibition on acceptance of credit on preferential terms from an entity supervised by the Bureau.

An employee, and the employee's spouse or minor child, may not accept credit from or enter into any other financial relationship with an entity supervised by the Bureau, if the credit or financial relationship contains terms that are more favorable than those offered to the public in comparable circumstances.

§9401.108 Restrictions on seeking, obtaining, or renegotiating credit from an entity that is or represents a party to a matter to which an employee is assigned or may be assigned.

(a) *Prohibition on employee seeking, obtaining, or renegotiating credit or indebtedness.* (1) While an employee is assigned to participate in a particular matter involving specific parties, the employee shall not seek, obtain, or renegotiate credit or indebtedness with an entity that is or represents a party to the matter. This prohibition also applies to a particular matter involving specific parties pending at the Bureau in which the employee is not currently participating but of which the employee is aware and believes it is likely that he or she will participate.

(2) The prohibition in paragraph (a)(1) of this section continues for two years after the employee's participation in the particular matter has ended.

(b) *Prohibition on employee's spouse or minor child seeking, obtaining, or renegotiating credit or indebtedness.* The prohibition in paragraph (a) of this section shall apply to the spouse or minor child of an employee unless:

(1) The credit or indebtedness is supported only by the income or independent means of the spouse or minor child;

(2) The credit or indebtedness is obtained on terms and conditions no more favorable than those offered to the general public; and

(3) The employee does not participate in the negotiation for the credit or indebtedness or serve as co-maker, endorser, or guarantor of the credit or indebtedness.

(c) *Disqualification requirement for credit sought by person related to an employee.* An employee shall disqualify himself or herself from participating in a particular matter involving specific parties as soon as he or she learns that any of the following persons are seeking, obtaining, or renegotiating credit or indebtedness with an entity that is or represents a party to the matter:

(1) The employee's spouse, domestic partner, or dependent child;

(2) A partnership in which the employee or the employee's spouse, domestic partner, or dependent child is a general partner;

(3) A partnership or closely held corporation in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly owns or controls more than a 10 percent equity interest;

(4) A trust in which the employee or the employee's spouse, domestic partner, or dependent child has a legal or beneficial interest;

(5) An investment club or similar informal investment arrangement between the employee or the employee's spouse, domestic partner, or dependent child, and others;

(6) A qualified profit sharing, retirement, or similar plan in which the employee or the employee's spouse, domestic partner, or dependent child has an interest; or

(7) An entity in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly holds more than a 25 percent equity interest.

(d) *Exemptions.* The following forms of credit are exempted from the prohibition in paragraphs (a) and (b) of this section and the disqualification requirement in paragraph (c) of this section:

(1) Revolving consumer credit or charge cards issued by insured depository institutions or insured credit unions on terms and conditions no more favorable than those offered to the general public; and

(2) Overdraft protection on checking accounts and similar accounts at insured depository institutions or insured credit unions on terms and conditions no more favorable than those offered to the general public.

(e) *Waivers.* The DAEO, after consultation with senior management in the Division in which the employee works, may grant a written waiver from the prohibition in paragraphs (a) or (b) of this section or the disqualification requirement in paragraph (c) of this section, based on a determination that participation in matters otherwise prohibited by this section would not be prohibited by law (18 U.S.C. 208) or create an appearance of loss of impartiality or use of public office for private gain, and would not otherwise be inconsistent with the OGE Standards or the CFPB Ethics Regulations.

§ 9401.109 Disqualification of employees from particular matters involving creditors.

(a) *Disqualification required.* Absent an authorization pursuant to paragraph (d) of this section, an employee shall not participate in a particular matter involving specific parties if the employee is aware that any of the following have credit with or are indebted to an entity that is or represents a party to the matter:

(1) The employee;

(2) The employee's spouse, domestic partner, or dependent child;

(3) A partnership in which the employee or the employee's spouse, domestic partner, or dependent child is a general partner;

(4) A partnership or closely held corporation in which the employee or the employee's spouse, domestic partner, or dependent child individually or jointly owns or controls more than 10 percent of its equity;

(5) A trust in which the employee or the employee's spouse, domestic partner, or dependent child has a legal or beneficial interest;

(6) An investment club or similar informal investment arrangement between the employee or the employee's spouse, domestic partner, or dependent child, and others;